



**ADASA**™

Title: ADASA Response to DFARS Case 2004-D011

Event: Federal Register / Vol. 70, No. 76 / Thursday, April 21, 2005 / Proposed Rules, Pages 20726 – 20729, as corrected in Federal Register / Vol. 70, No. 80 / Wednesday, April 27, 2005 / Proposed Rules, Page 21729.

Issues: 3. Whether small business considerations have been fully addressed in the regulatory flexibility analysis.  
5. What are the options for minimizing and mitigating the impacts on the materials recycling process from the use of RFID tags on shipping containers and pallets?

Background: ADASA has developed technology for removing functional RFID tags from cartons and items tagged with ISO or EPCglobal UHF tags. ADASA has determined that substantial percentages of RFID tags continue to function after being crushed and baled for materials recycling. ADASA anticipates that by Q2 2006 millions of reusable UHF RFID tags (i.e. GreenTags™) will be salvaged, reprogrammed, and sold to businesses that are affected by DFARS Case 2004-D011.

Recommendations: 3. Small businesses stand to benefit from the availability of ADASA GreenTags™ as they are auctioned off by recycling companies. It is anticipated that market prices for ADASA GreenTags™ will be substantially discounted from their new tag counterparts, but not necessarily below new prices available to large Tier 1 DoD suppliers. ADASA recommends that DoD assist small businesses by making them aware of such emerging cost-saving tag procurement channels.

5. Reusing RFID tags within the same supply chain that they are recovered from depends on a recycler's ability to reprogram those tags. Lacking that ability, used tags are apt to be sold into closed loop applications that use a numbering system that is different from EPCglobal. Therefore, ADASA recommends that DoD DFARS be amended to specifically enhance tag recycling companies' ability to reprogram salvaged tags. Such rules preferably include: 1) not locking tags, or 2) sharing unlock passwords with authorized recycling companies on a need-to-know basis.

Respectfully,

Clarke McAllister  
President  
ADASA Inc.  
541-968-2988  
[www.adasainc.com](http://www.adasainc.com)